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DIRECTORATE OF INTELLIGENCE

6 September 1985

WHAT IF THE PEACE PROCESS WERE TO COLLAPSE

Summary

Both Arab and Israeli leaders would blame the United States if a meeting between US Assistant Secretary of State Murphy and a joint Jordanian-Palestinian delegation does not take place--the Arabs because Washington did not overrule Israeli objections and open a dialogue with the PLO; the Israelis because the United States naively believed the PLO was prepared to recognize Israel, renounce terrorism and seriously pursue a negotiated peace settlement. If the meeting is not held, Hussein and Arafat probably would conclude that serious movement toward negotiations is unlikely during the second Reagan administration.

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Nevertheless, none of the parties would abandon hope that Washington eventually will do what is necessary to facilitate a settlement. They fully recognize that the US is the only power with sufficient leverage and credibility to play an effective mediating role. The collapse of the peace process would not of itself generate serious threats to regional security. Both the Arabs and Israelis regard the status quo as tolerable and preferable to wrenching compromises over territory and sovereignty that would be necessary to achieve an agreement.

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The immediate consequence of a breakdown in the peace process would be a round robin of recriminations. Both PLO and

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Jordanian leaders would blame the United States for a collapse of the peace process. Arafat already has accused Washington of reneging on its "promise" to meet with a joint delegation if the PLO provided a list of "moderate" Palestinian candidates. Hussein and Arafat probably would argue that Washington's insistence on a "guaranteed outcome" before going into talks damaged US credibility, and they would point out the irony of the United States having frequently lectured them not to expect to know the outcome in advance of actual negotiations. [redacted]

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King Hussein probably also would hold the PLO responsible for the stalemate. We believe he was disappointed with the list of candidates, particularly because Arafat did not propose a larger number of West Bank and Gaza notables acceptable to Israel and the United States. Hussein undoubtedly questions the PLO's commitment to peace, given its unwillingness to help the process along by proposing more non-PLO Palestinians for initial talks. [redacted]

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West Bank leaders also would put the blame on Washington for lack of progress. The US Consul in Jerusalem reports that West Bankers believe Arafat has demonstrated surprising flexibility in his dialogue with Hussein and in his attitude toward eventual negotiations, and they take a lot of credit for pushing Arafat in this direction. A breakdown in the process now would lead them to wonder how the United States would push for concessions from Israel if negotiations began when Washington cannot even acknowledge Arafat's changed position by meeting with the joint delegation. [redacted]

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In Tel Aviv's view, the United States would have to assume primary responsibility for the collapse of the peace process because of Washington's naive belief the PLO would accept UN Resolutions 242 and 338 and renounce terrorism in exchange for a US meeting with a Jordanian-Palestinian delegation. The overwhelming majority of Israelis are convinced that the PLO remains unalterably committed to Israel's destruction, and they dismiss statements or moves to the contrary by PLO leaders as public relations ploys aimed at inveigling the United States into a dialogue. Most Israeli officials argued from the outset that the United States should not be sidetracked by trying to arrange a meeting that would have excluded Israel, but should instead concentrate on bringing about direct Israeli-Arab talks without PLO participation. [redacted]

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Results of the Breakdown

A collapse of the peace process would not end hope among the various parties that circumstances would change eventually and allow them to enter peace negotiations. King Hussein almost certainly believes that he scored a psychological breakthrough with both the PLO and the United States in the latest round of discussions. He persuaded Arafat to break with Syrian-supported Palestinian radicals and sign the 11 February framework agreement

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despite opposition from some of his senior Fatah lieutenants. At the same time, Hussein believes that he convinced the United States to reconsider its position both on contacts with the Palestinians and on an international conference. [redacted]

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Arafat also has been encouraged to believe that the United States position on the PLO is softening because of Washington's willingness to consider meeting with non-PLO members of the Palestine National Council and US public denials that Israel possesses a veto over the list of candidates. He probably believes the United States eventually will come to his view that the only way to achieve a negotiated settlement in the Middle East is by dealing directly with the PLO. [redacted]

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Next Steps for the PLO

We believe Arafat would try to maintain his dialogue with King Hussein, primarily to continue building the PLO's presence in Jordan. Arafat is not likely, however, to renounce terrorism, recognize Israel, or make any other substantive concessions on negotiations to help put the process back on track. The PLO believes it has gone as far as it can without gaining major concessions from the United States, such as recognition of the Palestinians' right to self-determination. [redacted]

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Arafat probably would permit more attacks against Israel after the collapse of talks to reassert his revolutionary credentials. Although Arafat has long followed a two-track policy of staging operations while pursuing a diplomatic solution, he is likely to come under increasing pressure from his senior Fatah aides to reaffirm the PLO's continued military strength through armed attacks. [redacted]

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Arafat may explore the possibility of reconciliation with Palestinian radicals and with Syria. Although Arafat seems to have written off the pro-Syrian Palestinian National Salvation Front, we believe he would be attracted by the prospect of reuniting the organization. In his view, this would strengthen the PLO's negotiating position and reduce the threat of Syria undermining his leadership. [redacted]

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Jordan's Strategy

The King probably would reassess his view of the PLO's presence in Jordan if the peace process fell apart. Hussein's agreement to allow PLO offices to transfer to Amman stemmed largely from his interest in encouraging Arafat to demonstrate greater flexibility on peace negotiation issues. We do not believe the King would reverse that position and suddenly force the PLO's removal because he still needs to show his support for Arafat in order to reassure Jordan's majority Palestinian population. He probably would deny any further increase in the

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PLO's presence, however, limit the frequency of Arafat's visits to Jordan and restrict his movements while in country. [redacted]

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Hussein also might crack down on Fatah Western Sector activities in Jordan. Jordanian security closely monitors Western Sector activities, but has not stopped its contacts with West Bank Palestinians. [redacted]

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The King's fear of Israeli retaliation against PLO sites in Jordan probably would end his tolerance. [redacted]

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Contrary to his approach in the past, we do not believe the King would press West Bankers to forsake the PLO and move ahead with Jordan in negotiations. Hussein's own disillusionment with the United States, in our view, would dissuade him from trying to keep the process going with West Bank Palestinians. [redacted]

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Syrian Reaction

Syria would view the collapse of the peace process as a major political victory and vindication of its claim that the Arab-Israeli conflict cannot be resolved without accommodating Syrian interests. Damascus probably would try to take advantage of the failure of the current initiative to reassert Syrian control over the Palestinian movement. To this end, Assad might invite Fatah hardliners to Damascus for talks and order that Syrian-supported terrorism directed at Arafat-loyalists be reduced. [redacted]

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Syrian relations with Jordan would remain strained by conflicting policies on the Gulf war, but tension between Damascus and Amman probably would ease. Assad almost certainly would order a halt to terrorist operations by Syrian surrogates against Jordan while awaiting the King's next move. [redacted]

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Assad also might look for ways to gain the initiative in the Arab-Israeli conflict. Damascus would seek stronger Arab support for Syrian policy in Lebanon, and Assad might increase his support of terrorist operations or rocket attacks across the Lebanese or Jordanian borders into Israel. At the same time, Assad would restate Syrian support for an international conference as the only means to resolve the conflict. [redacted]

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Impact on Israel

The collapse of the peace process would stymie one of Prime Minister Peres's key goals since assuming office last September. He is determined to achieve progress toward engaging Jordan in negotiations before he is to hand over power to Foreign Minister Shamir in October 1986. Peres has quietly encouraged US efforts to arrange the Murphy meeting in hopes that it would lead to direct Israeli-Arab talks, and we believe he would continue to look for new opportunities to enter into direct talks with King Hussein. For example, he probably would try to exploit Amman's

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desire to resolve the Yarmouk River dispute as a means to upgrade the level of bilateral contacts that could eventually lead to peace negotiations. [redacted]

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Even in this area, however, Peres's flexibility would be constrained by Likud's continued presence in the unity coalition. Likud politicians would feel vindicated and reassured by the breakdown in the peace process, which they would see as demonstrating that the Arabs are not sincere about seeking peace with Israel. At the same time, Vice Prime Minister Shamir and other right-wing politicians probably would believe that Israel had gained only a temporary respite from its efforts to persuade Washington not to meet with Palestinians whom Tel Aviv regards as members of the PLO. Shamir and his colleagues probably would anticipate that Washington will urge Israel to accept PLO participation in future Arab-Israeli talks. They also would remain wary of any move by Peres or the United States toward negotiations with Jordan leading to a West Bank territorial compromise. [redacted]

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What's Wrong with the Status Quo?

A collapse of the peace process would not of itself spark more serious threats to regional security than those that already exist. This judgment would require reassessment if Tel Aviv comes to believe that an unacceptable level of West Bank violence can be traced to PLO activity in Jordan. Israeli strikes at PLO camps in Jordan would alter the regional security picture. In some instances, security concerns would actually be reduced, such as the threat of assassination of either Hussein or Arafat currently posed by Syria and the Palestinian radicals. [redacted]

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We believe the King sees little need to negotiate a peace treaty with Israel unless it offers the return of the lion's share of the West Bank and Gaza Strip and resolves control over East Jerusalem in a manner broadly acceptable in the Arab world--all highly unlikely outcomes. Hussein would probably argue that there are peaceful relations between Israel and Jordan without diplomatic ties, noting that their common border is secure and there are established channels of communications--either direct or through the United States--for use when necessary. The King also seems to be less concerned now about Palestinians leaving the West Bank for Jordan since Israeli settlement activity has slowed down. By avoiding bilateral negotiations with Israel, moreover, Hussein assures continued Arab political and financial support and reduces the likelihood of Syrian military action against Jordan. [redacted]

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US-Jordanian relations would suffer as a result of the breakdown in the peace process. Hussein has been hoping that his efforts with Arafat would win him Congressional approval for the sale of US arms to Jordan. Hussein may lash out at the United States, as he did in March 1984, for its failure to support its Arab and Israeli allies evenhandedly if he is denied US arms and

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may seek a new installment of Soviet equipment, particularly in the area of air-defense. [redacted]

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We believe Arafat also could live with things as they are. Arafat's primary objective is maintaining his leadership of the PLO, and he almost certainly believes he can preserve his position if he avoids making any controversial commitments on peace negotiations. [redacted]

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Many Israelis, in our view, would be relieved, if not pleased, by the breakdown in the peace process. The occupation of the West Bank and Gaza has been a relatively low-cost affair since its inception 18 years ago. Israelis are concerned about the recent wave of West Bank violence, but they probably believe it will prove as transitory as previous outbreaks. Movement in the peace process, on the other hand, would force Israel to confront difficult choices on negotiating partners and the terms of a final peace agreement and compel it to take risks that it would prefer to avoid. Moreover, relations with the United States almost necessarily would become more strained in the event of serious negotiations. [redacted]

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